

## Message Text

UNCLASSIFIED

PAGE 01      DACCA 03236 230254Z  
ACTION AID-59

INFO OCT-01 NEA-11 ISO-00 AGRE-00 EB-08 L-03 /082 W  
-----083419 230320Z /73

P 221010Z MAY 78  
FM AMEMBASSY DACCA  
TO SECSTATE WASHDC PRIORITY 9408

UNCLAS DACCA 3236

PASS USDA

PASS AID/ASIA/BIS

E.O. 11652: N/A  
TAGS     : EAID, EAGR, BG  
SUBJECT  : PL-480 TITLE I VEG OIL OPERATIONAL INFORMATION

REF: (A) STATE 123466, (B) 77 STATE 278197

1. WE WILL SIGN THE THIRD AMENDMENT TO THE PL-480 TITLE I AGREEMENT OF JANUARY 13, 1978, AS AMENDED, FOR \$16.1 MILLION WORTH OF EDIBLE VEGETABLE OIL TUESDAY, MAY 23, 1978 AS AUTHORIZED BY REF (A). OPERATIONAL REPORTING INFORMATION FOR EDIBLE OIL AS REQUIRED UNDER PARAGRAPH 7 B, ITEMS (1) TO (5) OF REF (B) BASED ON LATEST BDG AND MISSION ASSESSMENTS FOLLOWS.

2. TYPE AND GRADE OF EDIBLE OIL TO BE PURCHASED: THE BDG WISHES TO RECEIVE \$12.1 MILLION OF THE TOTAL IN DRUMMED REFINED SOYBEAN OIL AND \$4 MILLION IN CRUDE DEGUMMED SOYBEAN OIL. GRADE SPECIFICATIONS FOLLOW:

(A) REFINED SOYBEAN OIL: FAO(UN) STANDARD IN LEAK-PROOF SEALED DRUMS WITH ONE BUNGHOLE.

(B) GRADE OF CDSO: UNSAPONIFIABLE MATTER -- 1.5 PERCENT MAXIMUM; FREE FATTY ACIDS, AS OLEIC -- 9.75 PERCENT MAXIMUM;  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02      DACCA 03236 230254Z

MOISTURE AND VOLATILE MATTER AND INSOLUBLE IMPURITIES -- 0.3 PERCENT MAXIMUM; FLASH POINT -- 250 DEGREES F. MINIMUM; PHOSPHOROUS -- 0.02 PERCENT MAXIMUM. DEVIATION FROM THE ABOVE MAY, HOWEVER, BE ALLOWED FOR FREE FATTY ACIDS AND PHOSPHOROUS PER THE FOLLOWING PROCEDURE: FOR FREE FATTY ACIDS-- .76-.85 PERCENT WITH THE REDUCTION OF 0.2 PERCENT CONTRACT PRICE; .86-.95 PERCENT LESS 0.4 PERCENT FROM CONTRACT PRICE;

.96-1.05 PERCENT LESS 0.6 PERCENT FROM CONTRACT PRICE;  
1.06-1.15 PERCENT LESS 0.9 PERCENT FROM CONTRACT PRICE; AND 1.16-  
1.25 PERCENT LESS 1.2 PERCENT FROM CONTRACT PRICE. FOR PHOS-  
PHOROUS -- .021 PERCENT WITH REDUCTION OF 0.2 PERCENT FROM  
CONTRACT PRICE; .022 PERCENT LESS 0.4 PERCENT FROM CONTRACT PRICE;  
.023 PERCENT LESS 0.6 PERCENT FROM CONTRACT PRICE; .024 PER-  
CENT LESS 0.9 PERCENT FROM CONTRACT PRICE; AND .025 PERCENT  
LESS 1.2 PERCENT FROM CONTRACT PRICE

3. PROPOSED CONTRACTING AND DELIVERY SCHEDULE: MISSION RE-  
QUESTS THAT PURCHASE AUTHORIZATIONS FOR EDIBLE OIL BE  
ISSUED AS SOON AS POSSIBLE AFTER SIGNING OF THE AGREEMENT.  
THE BDG DESIRES PROMPT SHIPMENT OF CRUDE DEGRUMMED SOYBEAN  
OIL FOR ARRIVAL IN BANGLADESH BY JULY 31, 1978. FOR REFINED  
SOYBEAN OIL, SHIPMENT SHOULD BE MADE IN TIME FOR DELIVERY  
IN BANGLADESH BETWEEN SEPTEMBER AND NOVEMBER 1978.

4. BDG'S CAPABILITY TO RECEIVE, STORE AND DISTRIBUTE THE  
EDIBLE OIL TO PREVENT SPOILAGE OR WASTE: PRESENT DRAFT CAPA-  
CITY OF VESSELS WHICH WILL DELIVER VEG OIL TO BULK TERMINAL  
IS 27 FEET WITH MAXIMUM LENGTH OF TANKER BEING 560 FEET.  
IN MID-MAY THE BDG HAS STOCKS OF 9,500 METRIC TONS OF CDSO AT  
TWO TERMINALS. ASSUMING JULY-AUGUST 1978 ARRIVAL SCHEDULE  
FOR CDSO, AVAILABLE BULK CAPACITY TO STORE OIL WOULD BE AN  
ESTIMATED 20,000-25,000 METRIC TONS, WELL BEYOND THE QUAN-  
TITIES REQUESTED IN BULK UNDER THIS AMENDMENT. IN VIEW OF  
UNCLASSIFIED

UNCLASSIFIED

PAGE 03     DACCA 03236 230254Z

ADEQUATE STORAGE CAPACITY IN CENTRAL AND LOCAL DEPOTS FOR OIL  
IN DRUMS WITH NO SUBSTANTIAL IMPORTS PROGRAMMED DURING THE  
REMAINDER OF FY 1978, MISSION DOES NOT FORESEE ANY SPECIAL  
PROBLEMS OF DISTRIBUTION OF AND STORAGE OF OIL IN BULK OR  
DRUMS. BANGLADESH IS DEFICIENT IN EDIBLE OIL PRODUCTION. IN  
ORDER TO MEET MINIMUM DOMESTIC CONSUMPTION REQUIREMENTS  
SUBSTANTIAL QUANTITIES OF OIL WILL HAVE TO BE MET THROUGH  
IMPORTS FOR YEARS TO COME. THUS PL-480 TITLE I EDIBLE OIL  
IMPORTS SHOULD NOT RESULT IN DISINCENTIVE TO DOMESTIC PRO-  
DUCTION.

5. NAMES AND ADDRESSES OF BANKS: SONALI BANK, LOCAL OFFICE,  
MOTIJHEEL COMMERCIAL AREA, DACCA. THE BDG OFFICIAL ADVISED  
THE MISSION THAT NAMES AND ADDRESSES OF BANKS, BOTH U.S. AND  
FOREIGN, WHICH WILL BE HANDLING FINANCING OPERATIONS WILL BE  
FURTHER PROVIDED AND CONFIRMED BY THE BANGLADESH EMBASSY IN  
WASHINGTON.

6. TRANSFER OF FUNDS TO COVER OCEAN FREIGHT COST: THE  
MISSION HAS BEEN ASSURED THAT THE BDG HAS SUFFICIENT FUNDS  
AND IS PREPARED TO MAKE IMMEDIATE TRANSFER OF FUNDS TO COVER  
OCEAN FREIGHT COSTS AS NECESSARY. WE WERE FURTHER ASSURED

THAT APPROPRIATE ARRANGEMENTS WILL BE MADE TO ENSURE ACCE-  
PTABLE LETTERS OF CREDIT FOR BOTH COMMODITY AND FREIGHT  
WHICH WILL BE OPENED AND CONFIRMED BY DESIGNATED U.S. BANKS  
IMMEDIATELY AFTER CONTRACTING UNDER EACH PURCHASE AUTHORIZA-  
TION.  
SCHNEIDER

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PL 480 TITLE 1, FOREIGN ASSISTANCE AGREEMENTS, AMENDMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978DACCA03236  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780216-0351  
**Format:** TEL  
**From:** DACCA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780534/aaaabctd.tel  
**Line Count:** 122  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 1bc58a99-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION AID  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 STATE 123466, 77 STATE 278197  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 29 mar 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2619916  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PL-480 TITLE I VEG OIL OPERATIONAL INFORMATION  
**TAGS:** EAID, EAGR, BG, US  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/1bc58a99-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014